

**SECRET**

11 JUN 1969

MEMORANDUM FOR: Deputy Director of Logistics

SUBJECT : ACRB Agenda Item No. R-69-6-72

25X1

1. This docket, although not effective, is presented for your information. The Agency Contract Review Board, without forwarding the case to the Director of Logistics for approval, decided that the situation should be given back to the Contracting Officer, and thus withdrawn from Board consideration.

2. The Contracting Officer, together with the DD/I representative, will confer with the office of [ ] and attempt to have fiscal year 1970 money substituted for this 1969 funding. In the event this is not possible, the Board will again review the case and an attempt to recommend an answer to the Contracting Officer's dilemma of how to handle this funding made.

3. The Associate General Counsel did not feel that the situation was entirely legal. The Board members themselves did not feel that this type of letter contract would be compatible with the current effort being made to control letter contracts. The entire matter was founded upon pure funding protection, without proper scope or assurance of prototype acceptance.

4. Inasmuch as there was a 20 percent chance that the prototype, upon which this follow-on contract was based, might not be accepted, there was also the 20 percent chance that the funds would be lost, should the letter contract, if granted, not go forward.

5. This case appeared before the Board under the provisions of paragraph 3 of the delegation of authority to the concerned Contracting Officer.

6. The Contracting Officer, together with his project engineer, appeared at the Board meeting during the consideration of this case.

Distribution:

/s/

Orig - Addressee

1 - Official file

1 - ACRB Chrono

[ ]  
Chairman

Agency Contract Review Board

ACRB [ ] 11 Jun 69)

25X1

**SECRET**